

EPA-2829

Andrea Cherepy/DC/USEPA/US
12/16/2011 03:41 PM

To Tom Peake
cc Daniel Schultheisz, Jeffrey Blizzard, Lee Veal, Reid Rosnick, Valerie Daigler
bcc
Subject Re: We should postpone our Monday meeting until right after the new year

Some suggested changes to paragraphs 2 and 3. And don't forget to include the attachments.



email markup.docx

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Tom Peake

How is this for an email? Comments welcome. ...

12/16/2011 03:23:24 PM

From: Tom Peake/DC/USEPA/US
To: Reid Rosnick/DC/USEPA/US@EPA, Andrea Cherepy/DC/USEPA/US@EPA, Daniel Schultheisz/DC/USEPA/US@EPA, Jeffrey Blizzard/DC/USEPA/US@EPA, Valerie Daigler/DC/USEPA/US@EPA
Cc: Lee Veal/DC/USEPA/US@EPA
Date: 12/16/2011 03:23 PM
Subject: We should postpone our Monday meeting until right after the new year

How is this for an email? Comments welcome. Especially if you can insert and delete items. (Maybe use Word and track changes?)

Abe,

I have talked to staff and we believe that it would be most productive to meet at the beginning of January. With people out for the holidays it will be hard to get people together. We also need to see when the OAQPS staff can meet, too.

In the meantime, however, there are some things that we would like to share with you. I have attached a number of documents that should be helpful for you--although on the guidances we would already expect your staff to know them well. Two of these are guidance documents which we would expect your staff to already be familiar with. For example, if your staff were really familiar with the reg flexibility act guidance and related products then maybe the recent Subpart W product would have been better. (b)(5) - Deliberative Process Privilege

Moving forward, I would think that the staff working on this would be familiar with 1) OMB requirements, 2) past and/or current successful EPA regulatory economic impact analysis and 3) the appropriate guidance documents. We are interested in other EPA analyses as models. We are not interested in how NRC has done their economic analyses.

Some general comments are below. I hope to provide (or have someone provide) additional comments to you next week.

Subpart W

- All assumptions must be clearly identified, described, and supported. (b)(5) - Deliberative Process Privilege

- In Harry's email from today, he stated at one point: (b)(5) - Deliberative Process Privilege

Non-resp

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[attachment "Guidance-RegFlexAct.pdf" deleted by Andrea Cherepy/DC/USEPA/US] [attachment "EIA Guidance.pdf" deleted by Andrea Cherepy/DC/USEPA/US] [attachment "FR Notice of Final GD NESHAP Rule.pdf" deleted by Andrea Cherepy/DC/USEPA/US] [attachment "Gas Dist-Title V.pdf" deleted by Andrea Cherepy/DC/USEPA/US]

TD from Reid to Harry

As part of the Background Information Document (BID) for the Subpart W rulemaking (under WA 2-03), you have been tasked with preparing an Economic Impact Analysis (EIA). Since many of the issues discussed in the EIA also pertain to the EIA that is being prepared under WA 2-04 , I am issuing the following technical directive (TD) for work under WA 2-04 that can also be incorporated into the EIA for Subpart W.

As you know, the Regulatory Flexibility Act (RFA) states that an EIA shall describe the impact of a rulemaking on small entities. Specifically included in this Act is a requirement for the type and number of

small business entities to which the rule will apply, other compliance requirements of the proposed rule and any significant alternatives to the proposed rule which would minimize any significant economic impact of the proposed rule on these small business entities. In order to provide a thorough assessment of the RFA, the following issues must be considered;

1. A description of the types of small entities affected and to the extent that data are available, estimates of the number of affected small entities
2. A description of significant alternatives to the proposed rule which would accomplish stated objectives and minimize economic impact on small entities
3. A description of the impact of the compliance requirements of the proposed regulation; and
4. An analysis of alternatives to reduce the regulatory burden to small business entities

However, despite any negative economic impacts of any proposed rule on a small business entity, the negative impacts might be offset by positive benefits elsewhere as in the case of multinational/trans regional corporations. Therefore, even if the small business entities are affected negatively, they may choose to internalize or externalize to spread their losses. What this means is that in order to fully understand the impact of the RFA on a small business entity, the following issues must also be addressed;

1. Status of the firms. Are they firms or subsidiaries of a corporation?
 - a. What is the size of the operation in terms of employees?
 - b. Would the number employees alone determine the size/classification of the firm/company?
 - c. In a company such as Rio Algom (a former Canadian company subsidiary which was later sold to BHP, a British company), who would bear the cost/tax burdens of any proposed regulation; local communities, states or Governments?
 - d. What would be the effects of proposed regulation on the overall industry structure? Price increases, decreases, more competition, etc.
2. Baseline cost considerations to these firms. i.e. Likely economic costs to the proposed regulated industry without the proposed regulation
3. A differentiation to industry between basic policy costs (hard hats, steel toe shoes, clothing, etc), and implementation costs (implementation, monitoring, surveys, etc.)
4. Isolated costs due to government sharing actions such as interest rates, accelerated depreciation and subsidies.

The deliverable for this effort will be an analysis with conclusions that captures and addresses the above issues. The complete draft of this deliverable will be due within 30 days of receipt of this TD. Once approved, it will be incorporated into the EIA for Subpart W and, as appropriate, for the EIA for the 192 rulemaking. In meeting the requirements of this TD the contractor shall be in a support role, and will not be involved in the development of EPA policy, nor in any other activity that is an "inherently governmental function." Please contact me with questions and/or comments.